

FINAL
TOBACCO RECONCILIATION DOCUMENT
11/16/2005

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Section 1: Executive Summary and Recap of Commodity Credit Corporation (CCC) Tobacco Sales

EXECUTIVE SUMMARY

Tobacco Loan Stock Disposition

November 16, 2005

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. Section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following actions were taken to liquidate CCC loans in regard to disposition of tobacco loan inventories and disburse any remaining No-Net-Cost (NNC) funds to the Tobacco Loan Associations (associations) for distribution to its producers.

Between March 10, 2005 and April 13, 2005, CCC entered into "Association Service Agreements" (ASA) with eight of the nine tobacco loan associations to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. Wisconsin Cooperative Tobacco Growers Association did not have tobacco under loan so an ASA was not necessary.

Between March 21, 2005 and July 1, 2005, CCC called the loans of nine associations valued at \$981.5 million (principal plus interest) and took possession of 279.2 million pounds of tobacco. Between March 24, 2005 and July 5, 2005, with the exception of a few cases, CCC released 165.3 million pounds of the 279.2 million pounds to the associations based on the approved list prices (*See tables in the final "Tobacco Reconciliation Document" for loan sales value/approved list prices by association, grade and pound*) that were in effect on October 22, 2004, when the 2004 Act became effective. NNC funds totaling \$484.5 million was used to release these pounds to the associations at an average list price of \$2.93 per pound.
(*Calculation: NNC funds of \$484.5 million with an average list price of \$2.93 per lb, released 165.3 mil lbs.*)

This left CCC with 113.9 million pounds to dispose of through sales.
(*Calculation: CCC-owned inventory 279.2 mil lbs less 165.3 mil lbs released to associations = 113.9 mil lbs.*)

Between March 25, 2005 and July 28, 2005, CCC offered for sale 72.7 million pounds of flue-cured, 39 million pounds of burley, 2.1 million pounds of fire-cured and 134.7 thousand pounds of air-cured tobacco for a total of 113.9 million pounds. Total proceeds from the sale of these CCC-owned tobacco inventories amounted to \$205.5 million at an average of \$1.84 per lb.
(*Calculation: \$205.5 mil divided by 113.9 mil lbs = \$1.84 per lb.*)

Subtracting the NNC funds of \$484.5 million from the loan value (total debt to CCC) of \$981.5 million, leaves CCC with a remaining balance from the called loans of \$497 million.
(*Calculation: \$981.5 mil total debt to CCC less NNC funds of \$484.5 mil = \$497 mil debt to CCC remaining.*)

After applying the \$205.5 million from the sale of CCC-owned tobacco inventories towards the remaining debt of \$497 million, CCC incurred losses of \$292 million.
(*Calculation: \$497 mil debt remaining less \$205.5 mil sales proceeds = \$292 mil losses.*)

As required by the 2004 Act, the \$292 million losses associated with the disposition of the loan stocks is borne by tobacco product manufacturers and importers through an assessment.

Approximately \$18 million in NNC funds remains in the account after disposition of all inventories have been completed and losses of \$292 mil applied to the Tobacco Trust Fund. These remaining NNC funds of \$18 million will be released to various associations once their plan for distribution to the producers of their kind of tobacco has been approved by the Secretary.

Attached to this Executive Summary is a table which gives more detail broken down by associations.

EXECUTIVE SUMMARY ATTACHMENT

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. During March of 2005, CCC entered into "Association Service Agreements" with each association to help manage any inventories that CCC may acquire as a result of the 2004 Act. The following table summarizes what took place to liquidate CCC loans in regard to disposition tobacco loan inventories at nine tobacco loan associations.

Associations (Assn)	Loans and Accrued Interest Called	Lbs forfeited to CCC	Lbs Released to Assn.	NNC & INNC Used to Release Lbs to Assn.	CCC-Owned Inventory Lbs offered for sale	Proceeds from sale of CCC-Inventories	CCC Loss Transferred to Tobacco Trust Fund	NNC BALANCE of \$10,000 or greater to assn for dist to producers of tobacco. NOTE: Less than \$10,000 to be released to assn with no restrictions or requirements.
Flue-cured Tobacco Cooperative Stabilization Corporation (11 - 14)	\$446.3 mil on 3/21/05	156.3 mil	83.6 mil	\$202.7 mil	72.7 mil	\$118.3 mil	\$125.3 mil	\$6.2 mil
Burley Tobacco Growers Cooperative Association Burley (31)	\$429.5 mil on 3/21/05	98 mil	63.3 mil	\$219.2 mil	34.7 mil	\$75.2 mil	\$135 mil	\$3.2 mil
Burley Stabilization Corporation Burley (31)	\$92.8 mil on 3/21/05	20.4 mil	16.1 mil	\$56.5 mil	4.3 mil	\$9 mil	\$27.2 mil	\$7.0 mil
Eastern Dark-Fired Tobacco Growers Association Fire & Air cured (22&35)	\$6.5 mil on 4/21/05	2.4 mil	1.7 mil	\$4.6 mil	721 thousand	\$1.1 mil	\$792.3 thousand	\$898.2 thousand
Western Dark-Fired Tobacco Growers Association Fire & Air cured (23 &35)	\$4.7 mil on 4/21/05	1.5 mil	276.9 thousand	\$826.3 thousand	1.2 mil	\$1.7 mil	\$2.2 mil	\$113.9 thousand
Training District Tobacco Association Air cured (36)	\$699.2 thousand on 4/21/05	212.7 thousand	78.1 thousand	\$233 thousand	134.7 thousand	\$80.8 thousand	\$385.4 thousand	\$385.50
Dark Tobacco Sales Cooperative Fire & VA Sun-cured (21 & 37)	\$654.6 thousand on 4/21/05	233.6 thousand	89.9 thousand	\$252 thousand	143.7 thousand	\$119.8 thousand	\$282.8 thousand	\$5,371.42
Northern Wisconsin Tobacco Pool Cigar Binder (55)	\$384.4 thousand on 7/1/2005	188.5 thousand	188.5 thousand	\$228.2 thousand	0	0	\$156.2 thousand	\$37.90
Wisconsin Cooperative Tobacco Growers Association Cigar Binder (54)	\$0	0	0	0	0	0	0	\$389.7 thousand
TOTAL	\$981.5 mil	279.2 mil	165.3 mil	\$484.5 mil	113.9 mil	\$205.5	\$291.3 mil	\$17.8 mil

CHRONOLOGICAL RECAP OF CCC TOBACCO SALES

On March 24, 2005 the United States Department of Agriculture issued a press release announcing the availability of tobacco inventory for sale. Between March 25 and July 28, 2005, the Commodity Credit Corporation (CCC) sold 114,017,170 pounds of tobacco with total revenues of \$205,563,363.65. The five separate sales were all conducted under the provisions of the announcement "Sales of Miscellaneous Agricultural Commodities (SMAC)" dated July 13, 2001.

Invitation 26—On March 25, 2005, CCC tendered 100,209,023 pounds of burley and flue-cured tobacco with bids due on April 6th. On April 11th bids were accepted on 16,752,049 pounds of burley valued at \$45,758,182.56 and 72,232,920 pounds of flue-cured valued at \$117,984,851.60. Bids were rejected for price on 10,545,179 pounds of burley and 495,320 pounds of flue-cured. Two lots (BUR5 & BUR10) totaling 70,200 pounds received no bids. The residual lots were retendered on April 12, 2005.

Note: On April 19th weight adjustments were made on 4 lots of stems sold under Invitation 26 with a total net difference of 43,155 pounds. No value adjustments were made. This quantity adjustment is included in the above totals.

Invitation 28*—On April 12, 2005, CCC tendered 10,865,539 pounds of burley and flue-cured tobacco with bids due on May 10th. On April 14th an additional 315,360 pound lot of flue-cured was added to Invitation 28. On May 12th bids were accepted on all lots; 10,615,379 pounds of burley valued at \$8,433,878.13 and 495,320 pounds of flue-cured valued at \$289,307.20. Two lots (BUR5 & BUR10) totaling 70,200 pounds were sold outside of the Invitation process to the Burley Stabilization Corporation for \$1.00 due to no bids on the first two tenders.

Invitation 29--On April 22, 2005, CCC tendered 2,201,822 pounds of minor kinds of tobacco with bids due on May 16th. On May 19th bids were accepted on 432,748 pounds of dark-fired Type-22 valued at \$773,612.13. Bids were rejected for price on 1,769,074 pounds. The residual lots were retendered on May 23, 2005.

Invitation 30--On May 23, 2005, CCC tendered 1,769,074 pounds of minor kinds of tobacco with bids due on June 6th. On June 9th bids were accepted on all lots; 143,735 pounds of Type-21 valued at \$119,849.75 and 288,307 pounds of Type-22 valued at \$357,340.72 and 1,202,301 pounds of Type-23 valued at \$1,707,852.06 and 134,731 pounds of Type-36 valued at \$80,838.60.

Invitation 31--On July 19, 2005, CCC tendered 11,649,480 pounds of 2004-crop burley tobacco with bids due on July 26th. On July 28th bids were accepted on all lots; 11,649,480 pounds of 2004-crop burley valued at \$30,057,649.90.

*Invitation 27 was a sugar tender under the "SMAC" announcement.

PROCEEDS FROM SALE OF ALL CCC INVENTORY

INVITATION		BUYER	ASSOCIATION	TYPE	POUNDS	VALUE
26		PHILLIP MORRIS USA, INC.	BURLEY STABILIZATION CORPORATION	BURLEY	2,418,273	\$7,939,673.91
26		RJ REYNOLDS	BURLEY STABILIZATION CORPORATION	BURLEY	93,600	\$15,912.00
26		S&M BRANDS	BURLEY STABILIZATION CORPORATION	BURLEY	234,400	\$35,160.00
26		KENTUCKY CUT RAG LLC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	299,585	\$338,860.59
26		PHILLIP MORRIS USA, INC.	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	12,297,788	\$36,649,867.80
26		RJ REYNOLDS	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	273,064	\$198,872.51
26		S&M BRANDS	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	986,175	\$147,926.25
26		U.S. FLUE-CURED TOBACCO GROWERS, INC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	149,164	\$431,203.29
26		PHILLIP MORRIS USA, INC.	FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION	FLUE-CURED	57,036,780	\$113,292,156.11
26		RJ REYNOLDS	FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION	FLUE-CURED	11,967,840	\$3,821,331.31
26		S&M BRANDS	FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION	FLUE-CURED	3,228,300	\$873,900.81
28		DIMON INTERNATIONAL, INC	BURLEY STABILIZATION CORPORATION	BURLEY	372,204	\$316,373.40
28		HAIR & COTTON	BURLEY STABILIZATION CORPORATION	BURLEY	203,742	\$209,670.89
28		LANCASTER LEAF TOBACCO CO. OF PA, INC	BURLEY STABILIZATION CORPORATION	BURLEY	392,509	\$329,158.05
28		DIMON INTERNATIONAL, INC	BURLEY STABILIZATION CORPORATION	BURLEY	544,212	\$168,705.72
28		KENTUCKY CUT RAG LLC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	22,932	\$25,225.20
28		LANCASTER LEAF TOBACCO CO. OF PA, INC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	808,794	\$622,771.38
28		UNIVERSAL LEAF NORTH AMERICA U.S. INC.	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	1,171,794	\$985,830.29
28		CRES TOBACCO COMPANY, INC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	3,558,844	\$3,594,076.56
28		KENTUCKY CUT RAG LLC	FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION	FLUE-CURED	3,540,348	\$2,182,270.51
29		AVANTI CIGAR CO	FLUE-CURED TOBACCO COOPERATIVE STABILIZATION CORPORATION	FLUE-CURED	315,360	\$15,768.00
30		CAMPBELL TOBACCO REHANDLING COMPANY	EASTERN DARK-FIRED TOBACCO GROWERS ASSOCIATION	DARK-FIRED TYPE 22	179,960	\$273,539.20
30		IMPERIAL PROCESSING CORPORATION	STEMMING DISTRICT TOBACCO ASSOCIATION	DARK-FIRED TYPE 22	433,748	\$773,623.60
30		GALLATIN REDRYING & STORAGE CO.	DARK TOBACCO SALES COOPERATIVE	DARK-AIR TYPE 36	134,731	\$80,838.60
30		GALLATIN REDRYING & STORAGE CO.	EASTERN DARK-FIRED TOBACCO GROWERS ASSOCIATION	DARK-FIRED TYPE 21	143,735	\$119,846.24
30		HAIR & COTTON	WESTERN DARK-FIRED TOBACCO GROWERS ASSOCIATION	DARK-FIRED TYPE 22	288,307	\$357,327.70
31		CLP, INC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	DARK-FIRED TYPE 23	475,092	\$623,130.67
31		KENTUCKY CUT RAG LLC	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	DARK-FIRED TYPE 23	727,209	\$1,084,704.94
31		PHILLIP MORRIS USA, INC.	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	38,367	\$11,648.22
31		RJ REYNOLDS	BURLEY TOBACCO GROWERS COOPERATIVE ASSOCIATION	BURLEY	271,316	\$233,168.97
31				BURLEY	10,233,549	\$29,655,801.65
31				BURLEY	1,106,248	\$156,976.59
31				BURLEY	113,946,970	\$205,565,320.97

Section 2

Reconciliation Reports by Tobacco Loan Associations

- **Burley Stabilization Corporation (Burley, Type 31)**
- **Burley Tobacco Growers Cooperative Association (Burley, Type 31)**
- **Flue Cured Tobacco Cooperative Stabilization Corporation
(Flue-cured, Types 11 – 14)**
- **Western Dark-Fired Tobacco Growers Association
(Fire-Cured Type 23 & Dark Air-Cured, Type 35)**
- **Eastern Dark-Fired Tobacco Growers Association
Fire-Cured Type 22 & Dark Air-Cured, Type 35)**
- **Stemming District Tobacco Growers Association
(Dark Air-Cured, Type 36)**
- **Dark Tobacco Sales Cooperative
(Fire-Cured, Type 21 & Virginia Sun-Cured, Type 37)**
- **Northern Wisconsin Tobacco Pool (Type 55)**
- **Wisconsin Cooperative Tobacco Growers Association (Type 54)**

Burley Stabilization Corporation

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Burley Stabilization Corporation (BSC):

- CCC entered into an "Association Service Agreement" with BSC on March 10, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit BSC 1)
- CCC called 1997, 1998, 2000, 2001, 2002, 2003 tobacco loans on March 21, 2005, and took possession of 14.4 mil lbs of tobacco, except for the 2004 crop loan and inventory which was still being processed. (A dry-weight pound figure was unknown at that time so the loan could not be called). (Exhibit BSC 2)
- CCC released 10.1 lbs of the 14.4 mil lbs on March 24, 2005, to the Association using \$38.4 mil of the \$61.1 mil in the No-Net-Cost (NNC) and Importer No-Net-Cost (INNC) accounts as of February 28, 2005. (Exhibit BSC 3)
- CCC held back approximately \$22.7 mil from the NNC and INNC accounts to be used later when CCC releases lbs to the Association from the 2004 crop.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned burley inventories that came from BSC. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 26 was advertised on March 25, 2005 which included 4.3 mil lbs of CCC-owned inventory acquired from BSC among other CCC-owned inventories acquired from other cooperatives. Bids were due in April 6, 2005. *See Invitation # 26 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- CCC called the 2004 crop loan on July 1, 2005, and took possession of 6 mil lbs. (Exhibit BSC 4)
- CCC released 6 mil lbs on July 6, 2005, to the Association based on the approved list prices that were in effect on October 22, 2004. Interest accrual and adjustments had

increased the total NNC and INNC funds available as of June 30, 2005 to \$24 mil from \$22.7 mil. (Exhibit BSC 5)

- Of the \$24 mil available from the NNC account only \$18.1 mil was necessary to release the entire inventory. This left a balance of approximately \$5.9 mil in the Associations NNC and INNC accounts to be distributed back to the producers according to a plan submitted to CCC by BSC and approved by USDA. These funds will be released to BSC in November of 2005 to be distributed to the producers of burley tobacco.

10/18/2005

Curley Stabilization Corporation
Portfolio Reconciliation
Summary

Loan and Accrued Interest Called:		\$92,763,583.22
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$56,540,090.00
	From Bid Sales:	\$9,013,341.75
Total Sales Proceeds:		(\$65,553,431.75)
Loss Transferred To Tobacco Trust Fund:		\$27,210,151.47

**Burley Stabilization Corporation
Portfolio Reconciliation
Detail**

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	17,414,600.86	321,953.01	17,736,553.87
	2003	13,915,643.86	442,454.22	14,358,098.08
	2002	8,019,531.95	444,569.85	8,464,101.80
	2001	6,079,645.69	519,070.05	6,598,715.74
	2000	10,350,031.04	1,532,020.03	11,882,051.07
	1998	10,817,662.17	2,827,723.85	13,645,386.02
	1997	14,942,787.36	5,135,889.28	20,078,676.64
	1994	0.00	0.00	0.00
Total Called:		81,539,902.93	11,223,680.29	92,763,583.22

No Net Cost Used				
Domestic No Net Cost:	Crop Year	Producer		Purchaser
		Assessment	Interest	
	2004	524,336.38	6,717.51	448,595.11
	2003	17,525,679.87	9,558,379.05	14,531,114.78
	2002	0.00	0.00	0.00
Total Domestic No Net Cost Used:		18,050,016.25	9,565,096.56	14,979,709.89
Importers No Net Cost Used:		Principal	Interest	
		6,934,480.56	1,496,694.08	
Total No Net Cost Used:				56,540,090.00

Bid Sales			
Bid Sales	Invitation	Sales Date	Sold For
	26	April 1, 2005	7,989,422.64
	28	May 10, 2005	1,023,919.11
	29	May 1, 2005	0.00
	30	May 1, 2005	0.00
	31	July 19, 2005	0.00
Total Bid Sales:			9,013,341.75

Total Losses Recovered From The Tobacco Trust Fund: **27,210,151.47**

Burley Tobacco Growers Cooperative Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Burley Tobacco Growers Cooperative Association (BTGCA):

- CCC entered into an "Association Service Agreement" with BTGCA on March 10, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit BTGCA 1)
- CCC called 1994, 1997, 1998, 2000, 2001, 2002 and 2003 tobacco loans on March 21, 2005, and took possession of 66 mil lbs of tobacco, except for the 2004 crop loan and inventory which was still being processed. (A dry- weight pound figure was unknown at that time so the loan could not be called). (Exhibit BTGCA 2)
- CCC released 42.9 mil lbs of the 66 mil lbs on March 24, 2005, to the BTGCA using \$158.3 mil of the \$218.8 mil in the No-Net-Cost (NNC) and Importer No-Net-Cost INNC) accounts as of February 28, 2005. (Exhibit BTGCA 3) The release was based on the BTGCA's approved list prices that were in effect October 22, 2004.
- CCC held back approximately \$60.5 mil from the NNC and INNC accounts to be used later when CCC releases lbs to the Association from the 2004 crop.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned burley inventories that came from BTGCA. (Exhibit A)
- SMAC Invitation # 26 was advertised on March 25, 2005 which included 23.1 mil lbs of CCC-owned inventory acquired from BTGCA among other CCC-owned inventories acquired from other cooperatives. Bids were due in April 6, 2005. See Invitation # 26 for details. *See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 28 was advertised on April 12, 2005 which included 9.1 mil lbs of CCC-owned inventory acquired from BTGCA which was rejected in Invitation # 26. Bids were due in May 10, 2005. See Invitation # 28 for details. *See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

- CCC called BTGCA's 2004 crop loan on July 1, 2005, and took possession of 32 mil lbs of tobacco. (Exhibit BTGCA 4)
- CCC released 20.4 mil lbs of the 32 mil lbs on July 6, 2005, to BTGCA using \$60.6 mil in the NNC account as of June 30, 2005. The release was based on the BTGCA's approved list prices that were in effect October 22, 2004. (Exhibit BTGCA 5)
- SMAC Invitation # 31 was advertised on July 19, 2005, 11.6 mil lbs of CCC-owned inventory acquired from BTGCA which from the 2004 crop. Bids were due in July 26, 2005. On July 28th bids were accepted on all lots. See Invitation # 31 for details. *See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC and INNC accounts will be released to BTGCA in November of 2005 to be distributed to the producers of burley tobacco.

10/18/2005

**Bullseye Tobacco Growers Cooperative
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$429,476,826.17
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$219,195,768.00
	From Bid Sales:	\$75,236,369.84
Total Sales Proceeds:		(\$294,432,137.84)
Losses Recovered From The Tobacco Trust Fund:		\$135,044,688.33

**Burley Tobacco Growers Cooperative
Portfolio Reconciliation
Detail**

Loans Called			
Loans Called:	Crop Year	Loan Amount	Accrued Interest
	2004	92,148,805.67	1,650,577.45
	2003	70,982,942.72	1,173,561.30
	2002	39,864,708.07	2,209,383.66
	2001	12,749,531.22	1,054,813.83
	2000	17,225,248.99	2,535,628.16
	1998	38,207,806.30	10,041,366.92
	1997	78,839,416.47	25,047,973.86
	1994	25,264,748.62	10,480,312.93
Total Called:		375,283,208.06	54,193,618.11
			429,476,826.17

No Net Cost Used			
Domestic No Net Cost:	Crop Year	Producer	
		Assessment	Interest
	2004	2,242,237.52	28,236.23
	2003	66,549,342.51	28,359,289.79
	2002	0.00	0.00
Total Domestic No Net Cost Used:		68,791,580.03	28,387,526.02
			27,023,193.03
Total Importers No Net Cost Used:		Purchaser	
		Assessment	Interest
		1,857,029.97	23,398.19
		67,842,915.04	26,999,794.84
		0.00	0.00
Total No Net Cost Used:		69,699,945.01	219,195,768.00

Bid Sales			
Bid Sales:	Invitation	Sales Date	Sold For
	26	April 1, 2005	37,768,759.92
	28	May 10, 2005	7,409,960.02
	29	May 1, 2005	0.00
	30	May 1, 2005	0.00
	31	July 19, 2005	30,057,649.90
Total Bid Sales:			75,236,369.84

Total Losses Recovered From The Tobacco Trust Fund:	135,044,688.33
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Flue-Cured Tobacco Cooperative Stabilization Corporation

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Flue-Cured Tobacco Cooperative Stabilization Corporation (FC):

- CCC entered into an "Association Service Agreement" with FC on March 14, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit FC 1)
- CCC called 2002, 2003 and 2004 tobacco loans on March 21, 2005, and took possession of 156.3 mil lbs of tobacco. (Exhibit FC 2)
- CCC released 83.6 mil lbs of the 156.3 mil lbs on March 24, 2005, to FC using \$207 mil in the No-Net-Cost (NNC) and Importer No-Net-Cost INNC) accounts as of February 28, 2005. (Exhibit FC 3) The release was based on the FC's approved list prices that were in effect October 22, 2004.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned flue-cured tobacco inventories that came from FC. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 26 was advertised on March 25, 2005 which included 72.7 mil lbs of CCC-owned inventory acquired from FC among other CCC-owned inventories acquired from other cooperatives. Bids were due in April 6, 2005. *See Invitation # 26 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 28 was advertised on April 12, 2005 which included 495,320 lbs of CCC-owned inventory acquired from FC among other CCC-owned inventories acquired from other cooperatives. Bids were due in May 10, 2005. On May 12th bids were accepted on all lots. *See Invitation # 28 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC and INNC accounts will be released to FC in November of 2005 to be distributed to the producers of flue-cured tobacco.

10/18/2005

**Fire Cured Tobacco Cooperative
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$446,258,683.12
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$202,689,637.00
	From Bid Sales:	\$118,274,158.80
Total Sales Proceeds:		(\$320,963,795.80)
Loss Transferred To Tobacco Trust Fund:		\$125,294,887.32

**Flue Cured Tobacco Cooperative
Portfolio Reconciliation
Detail**

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	194,196,380.45	3,101,823.67	197,298,204.12
	2003	142,893,341.50	5,317,100.14	148,210,441.64
	2002	77,094,737.51	4,335,346.52	81,430,084.03
	2001	17,668,250.95	1,651,702.38	19,319,953.33
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called:		431,852,710.41	14,405,972.71	446,258,683.12

No Net Cost Used				
Domestic No Net Cost:				
	Crop Year	Assessment	Interest	Purchaser
	2004	24,970,522.20	198,692.02	Assessment 156,665.14
	2003	28,614,307.00	24,797,300.12	20,295,261.37
	2002	0.00	0.00	36,317,521.83
Total Domestic No Net Cost Used:		53,584,829.20	24,995,992.14	56,612,783.20
Total Importers No Net Cost Used:		46,157,461.62	7,015,224.12	14,323,346.72
Total No Net Cost Used:				202,689,637.00

Bid Sales				
Bid Sales	Invitation	Sales Date	Sold For	
	26	April 1, 2005	117,984,851.60	
	28	May 10, 2005	289,307.20	
	29	May 1, 2005	0.00	
	30	May 1, 2005	0.00	
	31	July 19, 2005	0.00	
Total Bid Sales			118,274,158.80	
Total Losses Recovered From The Tobacco Trust Fund:				125,294,887.32

Western Dark-Fired Tobacco Growers Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Western Dark-Fired Tobacco Growers Association (WDTGA):

- CCC entered into an "Association Service Agreement" with WDTGA on April 13, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit WDTGA 1)
- CCC called 2000, 2001 and 2004 fire-cured type 23 tobacco loans and 2004 crop air-cured type 35 tobacco loan on April 21, 2005, and took possession of 1.5 mil lbs of fire-cured type 23 tobacco. There was no tobacco inventories associated with the air-cured type 35 loans. (Exhibit EDTGA 2)
- CCC released 276,948 thousand lbs of the 1.5 mil lbs on April 22, 2005, to WDTGA using \$826 thousand in the No-Net-Cost (NNC) account as of February 28, 2005. (Exhibit WDTGA 3) The release was based on the WDTGA's approved list prices that were in effect October 22, 2004.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned fire-cured tobacco inventories that came from WDTGA. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 29 was advertised on April 22, 2005 which included 1.2 mil lbs of CCC-owned inventory acquired from WDTGA among other CCC-owned inventories acquired from other cooperatives. Bids were due in May 16, 2005. All bids were rejected and re-tendered in Invitation # 30 to all entities. *See Invitation # 29 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 30 was advertised on May 23, 2005 which included 1.2 mil lbs of fire-cured type 23 CCC-owned inventory acquired from WDTGA which was rejected in Invitation # 29. Bids were due in June 6, 2005. On June 9th bids were accepted on all lots. *See Invitation # 30 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC account will be released to WDTGA in November of 2005 to be distributed to the producers of fire-cured and air-cured tobacco.

10/18/2005

Western Dark Fired Tobacco Growers Association
Portfolio Reconciliation
Summary

Loan and Accrued Interest Called:		\$4,706,920.91
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$826,324.00
	From Bid Sales:	\$1,707,852.00
Total Sales Proceeds:		(\$2,534,176.00)
Loss Transferred To Tobacco Trust Fund:		\$2,172,744.91

Western Dark Fired Tobacco Growers Association - Type 23
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	108,149.82	195.47	108,345.29
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	2,617,340.30	224,000.17	2,841,340.47
	2000	1,480,196.55	200,639.16	1,680,835.71
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called:		4,205,686.67	424,834.80	4,630,521.47
No Net Cost Used				
Domestic No Net Cost:				
	Crop Year	Assessment	Interest	Interest
	2004	217,105.67	260.50	0.00
	2003	544,368.28	64,589.55	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
Total Domestic No Net Cost Used:		761,473.95	64,850.05	0.00
Total Importers No Net Cost Used:				
		Principal	Interest	
		0.00	0.00	
Total No Net Cost Used:				826,324.00
Bid Sales				
Bid Sales:				
	Invitation	Sales Date	Sold For	
	26	April 1, 2005	0.00	
	28	May 10, 2005	0.00	
	29	May 1, 2005	0.00	
	30	May 1, 2005	1,707,852.00	
	31	July 19, 2005	0.00	
Total Bid Sales:				1,707,852.00
Total Losses Recovered From The Tobacco Trust Fund:				
2,096,345.47				

Western Dark Fired Tobacco Growers Association - Type 35
Portfolio Reconciliation
Detail

Loans Called						
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total		
	2004	76,218.66	180.78	76,399.44		
	2003	0.00	0.00	0.00		
	2002	0.00	0.00	0.00		
	2001	0.00	0.00	0.00		
	2000	0.00	0.00	0.00		
	1998	0.00	0.00	0.00		
	1997	0.00	0.00	0.00		
	1994	0.00	0.00	0.00		
Total Called:		<u>76,218.66</u>	<u>180.78</u>	<u>76,399.44</u>		
No Net Cost Used						
Domestic No Net Cost:						
	Crop Year	Assessment	Interest	Assessment	Interest	
	2004	0.00	0.00	0.00	0.00	
	2003	0.00	0.00	0.00	0.00	
	2002	0.00	0.00	0.00	0.00	
	2001	0.00	0.00	0.00	0.00	
	2000	0.00	0.00	0.00	0.00	
Total Domestic No Net Cost Used:		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	
Importers No Net Cost Used:		Principal	Interest			
		0.00	0.00			
Total No Net Cost Used:						0.00
No Net Cost Used						
Bid Sales:						
	Invitation	Sales Date	Sold For			
	26	April 1, 2005	0.00			
	28	May 10, 2005	0.00			
	29	May 1, 2005	0.00			
	30	May 1, 2005	0.00			
	31	July 19, 2005	0.00			
Total Bid Sales:			<u>0.00</u>			
Total Losses Recovered From The Tobacco Trust Fund:				<u>76,399.44</u>		

Eastern Dark-Fired Tobacco Growers Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Eastern Dark-Fired Tobacco Growers Association (EDTGA):

- CCC entered into an "Association Service Agreement" with EDTGA on April 13, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit EDTGA 1)
- CCC called 2000, 2001 and 2004 fire-cured type 22 tobacco loans and 2003 and 2004 crop air-cured type 35 tobacco loans on April 21, 2005, and took possession of 2.4 mil lbs of fire-cured type 22 tobacco. There was no tobacco inventories associated with the air-cured type 35 loans. (Exhibit EDTGA 2)
- CCC released 1.7 mil lbs of the 2.4 mil lbs on April 22, 2005, to EDTGA using \$4.6 mil in the No-Net-Cost (NNC) account as of February 28, 2005. (Exhibit EDTGA 3) The release was based on the EDTGA's approved list prices that were in effect October 22, 2004.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned fire-cured tobacco inventories that came from EDTGA. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 29 was advertised on April 22, 2005 which included 721 thousand lbs of CCC-owned inventory acquired from EDTGA among other CCC-owned inventories acquired from other cooperatives. Bids were due in May 16, 2005. *See Invitation # 29 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 30 was advertised on May 23, 2005 which included 288,307 lbs of fire-cured type 22 CCC-owned inventory acquired from EDTGA which was rejected in Invitation # 29. Bids were due in June 6, 2005. On June 9th bids were accepted on all lots. *See Invitation # 30 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC account will be released to EDTGA in November of 2005 to be distributed to the producers of fire-cured and air-cured tobacco.

10/18/2005

**Eastern Dark Fired Tobacco Growers
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$6,521,341.43
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$4,598,100.00
	From Bid Sales:	\$1,130,953.13
Total Sales Proceeds:		(\$5,729,053.13)
Loss Transferred To Tobacco Trust Fund:		\$792,288.30

Eastern Dark Fired Tobacco Growers - Type 22
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	34,259.96	70.71	34,330.67
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	1,341,071.90	104,146.86	1,445,218.76
	2000	4,248,486.43	571,969.50	4,820,455.93
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called		5,623,818.29	676,187.07	6,300,005.36
No Net Cost Used				
Domestic No Net Cost:				
	Crop Year	Assessment	Interest	Purchaser
	2004	121,986.29	187.84	Assessment
	2003	0.00	0.00	0.00
	2002	2,922,721.07	1,553,204.80	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
Total Domestic No Net Cost Used:		3,044,707.36	1,553,392.64	0.00
Total Importers No Net Cost Used:				
		Principal	Interest	
		0.00	0.00	
Total No Net Cost Used:				4,598,100.00
Bid Sales				
Bid Sales	Invitation	Sales Date	Sold For	
	26	April 1, 2005	0.00	
	28	May 10, 2005	0.00	
	29	May 1, 2005	773,612.13	
	30	May 1, 2005	357,341.00	
	31	July 19, 2005	0.00	
Total Bid Sales			1,130,953.13	
Total Losses Recovered From The Tobacco Trust Fund:				570,952.23

Eastern Dark Fired Tobacco Growers - Type 35
Portfolio Reconciliation
Detail

Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	78,559.12	212.35	78,771.47
	2003	140,211.11	2,353.49	142,564.60
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called		218,770.23	2,565.84	221,336.07

Domestic No Net Cost:	Crop Year	Producer		Purchaser	
		Assessment	Interest	Assessment	Interest
	2004	0.00	0.00	0.00	0.00
	2003	0.00	0.00	0.00	0.00
	2002	0.00	0.00	0.00	0.00
	2001	0.00	0.00	0.00	0.00
	2000	0.00	0.00	0.00	0.00
Total Domestic No Net Cost Used		0.00	0.00	0.00	0.00

Total Importers No Net Cost Used:	Principal	Interest
	0.00	0.00
Total No Net Cost Used:		0.00

Bid Sales	Invitation	Sales Date	Sold For
	26	April 1, 2005	0.00
	28	May 10, 2005	0.00
	29	May 1, 2005	0.00
	30	May 1, 2005	0.00
	31	July 19, 2005	0.00
Total Bid Sales			0.00

Total Losses Recovered From The Tobacco Trust Fund:	221,336.07
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Stemming District Tobacco Growers Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Stemming District Tobacco Association (SD):

- CCC entered into an "Association Service Agreement" with WDTGA on April 7, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit SD 1)
- CCC called 2003 and 2004 air-cured type 36 tobacco loans on April 21, 2005, and took possession of 212,788 thousand lbs of air-cured type 36 tobacco. (Exhibit EDTGA 2)
- CCC released 78,057 lbs of the 212,788 lbs on April 22, 2005, to SD using \$233 thousand in the No-Net-Cost (NNC) account as of February 28, 2005. (Exhibit EDTGA 3) The release was based on the SD's approved list prices that were in effect October 22, 2004.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned air-cured tobacco inventories that came from SD. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 29 was advertised on April 22, 2005 which included 134,731 lbs of CCC-owned inventory acquired from SD among other CCC-owned inventories acquired from other cooperatives. Bids were due in May 16, 2005. All bids were rejected and re-tendered in Invitation # 30 to all entities. *See Invitation # 29 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 30 was advertised on May 23, 2005 which included 134,731 lbs of air-cured type 36 CCC-owned inventory acquired from SD which was rejected in Invitation # 29. Bids were due in June 6, 2005. On June 9th bids were accepted on all lots. *See Invitation # 30 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC account will be released to SD in November of 2005 to be distributed to the producers of air-cured tobacco.

10/18/2005

**Stemming District Tobacco Association
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$699,210.77
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$233,020.00
	From Bid Sales:	\$80,838.60
Total Sales Proceeds:		(\$313,858.60)
Loss Transferred To Tobacco Trust Fund:		\$385,352.17

**Stemming District Tobacco Association
Portfolio Reconciliation
Detail**

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	420,212.54	4,343.03	424,555.57
	2003	270,320.98	4,334.22	274,655.20
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called		690,533.52	8,677.25	699,210.77

No Net Cost Used				
Domestic No Net Cost:	Crop Year	Producer		Purchaser
		Assessment	Interest	Assessment Interest
	2004	171,468.45	986.48	0.00 0.00
	2003	59,000.00	913.07	0.00 0.00
	2002	0.00	652.00	0.00 0.00
Total Domestic No Net Cost Used		230,468.45	2,551.55	0.00 0.00
Total Importers No Net Cost Used:		Principal	Interest	
		0.00	0.00	
Total No Net Cost Used:				233,020.00

Bid Sales			
Bid Sales	Invitation	Sales Date	Sold For
	26	April 1, 2005	0.00
	28	May 10, 2005	0.00
	29	May 1, 2005	0.00
	30	May 1, 2005	80,838.60
	31	July 19, 2005	0.00
Total Bid Sales			80,838.60

Total Losses Recovered From The Tobacco Trust Fund: 385,352.17

Dark Tobacco Sales Cooperative

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Dark Tobacco Sales Cooperative (DT):

- CCC entered into an "Association Service Agreement" with DT on April 8, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit DT 1)
- CCC called 2004 fire-cured type 21 tobacco loan on April 21, 2005, and took possession of 233,673 lbs of fire-cured type 21 tobacco. (Exhibit EDTGA 2)
- CCC released 89,938 lbs of the 233,673 lbs on April 22, 2005, to DT using \$252 thousand in the No-Net-Cost (NNC) account as of February 28, 2005. (Exhibit EDTGA 3) The release was based on the DT's approved list prices that were in effect October 22, 2004.
- CCC offered for sale through "SALE OF MISCELLANEOUS AGRICULTURAL COMMODITIES" (SMAC) the remaining CCC-owned air-cured tobacco inventories that came from SD. *See Exhibit A for SMAC procedures.*
- SMAC Invitation # 29 was advertised on April 22, 2005 which included 143,735 lbs of CCC-owned inventory acquired from DT among other CCC-owned inventories acquired from other cooperatives. Bids were due in May 16, 2005. All bids were rejected and re-tendered in Invitation # 30 to all entities. *See Invitation # 29 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of this sale.*
- SMAC Invitation # 30 was advertised on May 23, 2005 which included 143,735 lbs of fire-cured type 21 CCC-owned inventory acquired from DT which was rejected in Invitation # 29. Bids were due in June 6, 2005. On June 9th bids were accepted on all lots. *See Invitation # 30 for details. See Exhibit B for "CHRONOLOGICAL RECAP OF CCC TOBACCO SALES" for a summary of the results of these sales.*

Any remaining funds in the NNC account will be released to DT in November of 2005 to be distributed to the producers of fire-cured type 21 tobacco.

10/18/2005

**Dark Tobacco Sales Cooperative
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$654,629.95
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$251,966.00
	From Bid Sales:	\$119,849.53
Total Sales Proceeds:		(\$371,815.53)
Loss Transferred To Tobacco Trust Fund:		\$282,814.42

Dark Tobacco Sales Cooperative - Type 21
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	647,310.68	7,319.27	654,629.95
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called		647,310.68	7,319.27	654,629.95

No Net Cost Used					
Domestic No Net Cost:	Crop Year	Producer		Purchaser	
		Assessment	Interest	Assessment	Interest
	2004	28,023.00	193.24	0.00	0.00
	2003	17,151.96	350.70	0.00	0.00
	2002	156,429.09	30,612.94	0.00	0.00
	2001	0.00	0.00	0.00	0.00
	2000	0.00	0.00	0.00	0.00
Total Domestic No Net Cost Used:		201,604.05	31,156.88	0.00	0.00
Total Importers No Net Cost Used:		Principal	Interest		
		0.00	0.00		
Total No Net Cost Used:					232,760.93

Bid Sales			
Bid Sales	Invitation	Sales Date	Sold For
	26	April 1, 2005	0.00
	28	May 10, 2005	0.00
	29	May 1, 2005	0.00
	30	May 1, 2005	119,849.53
	31	July 19, 2005	0.00
Total Bid Sales			119,849.53

Total Losses Recovered From The Tobacco Trust Fund:	302,019.49
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Dark Tobacco Sales Cooperative - Type 37
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	0.00	0.00	0.00
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called		0.00	0.00	0.00
No Net Cost Used				
Domestic No Net Cost:				
	Crop Year	Assessment	Interest	Purchaser
	2004	2,519.08	0.00	Assessment 0.00 Interest 0.00
	2003	1,726.54	0.00	0.00
	2002	14,959.45	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
Total Domestic No Net Cost Used:		19,205.07	0.00	0.00
Total Importers No Net Cost Used:				
		Principal 0.00	Interest 0.00	
Total No Net Cost Used:				19,205.07
Bid Sales				
Bid Sales	Invitation	Sales Date	Sold For	
	26	April 1, 2005	0.00	
	28	May 10, 2005	0.00	
	29	May 1, 2005	0.00	
	30	May 1, 2005	0.00	
	31	July 19, 2005	0.00	
Total Bid Sales			0.00	
Total Losses Recovered From The Tobacco Trust Fund:				(19,205.07)

Northern Wisconsin Tobacco Pool

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Northern Wisconsin Tobacco Pool (NW):

- CCC entered into an "Association Service Agreement" with NW on April 13, 2005, to handle CCC-owned tobacco that might be acquired as a result of the 2004 Act. (Exhibit DT 1)
- CCC called 2004 cigar binder type 55 tobacco loan on July 1, 2005, and took possession of 188,526 lbs of cigar binder type 55 tobacco. (Exhibit EDTGA 2)
- CCC released 188,526 lbs on July 5, 2005, to NW using \$228 thousand in the No-Net-Cost (NNC) account as of June 30, 2005. (Exhibit EDTGA 3) The release was based on a policy call made by management to use the balance in the NNC account to release the entire CCC-owned inventory to NW.

10/18/2005

**Northern Wisconsin Cooperative
Portfolio Reconciliation
Summary**

Loan and Accrued Interest Called:		\$384,417.73
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$228,198.59
	From Bid Sales:	\$0.00
Total Sales Proceeds:		(\$228,198.59)
Loss Transferred To Tobacco Trust Fund:		\$156,219.14

**Northern Wisconsin Cooperative
Portfolio Reconciliation
Detail**

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	380,026.61	4,391.12	384,417.73
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called:		380,026.61	4,391.12	384,417.73

No Net Cost Used				
		Producer		Purchaser
		Assessment	Interest	Assessment Interest
Domestic No Net Cost:	Crop Year			
	2004	15,970.42	118.17	0.00 0.00
	2003	15,654.64	369.66	0.00 0.00
	2002	73,748.11	122,337.59	0.00 0.00
Total Domestic No Net Cost Used		105,373.17	122,825.42	0.00 0.00
Total Importers No Net Cost Used:		Principal	Interest	
		0.00	0.00	
Total No Net Cost Used:				228,198.59

Bid Sales				
Bid Sales:	Invitation	Sales Date	Sold For	
	26	April 1, 2005	0.00	
	28	May 10, 2005	0.00	
	29	May 1, 2005	0.00	
	30	May 1, 2005	0.00	
	31	July 19, 2005	0.00	
Total Bid Sales:			0.00	
Total Losses Recovered From The Tobacco Trust Fund:				156,219.14

Wisconsin Cooperative Tobacco Growers Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Wisconsin Cooperative Tobacco Growers Association (WCTGA):

- CCC called 2004 cigar binder type 55 tobacco loan on April 21, 2005. CCC realized that WCTGA no loan inventory pledged as collateral for this loan. (Exhibit WCTGA 1)

Any remaining funds in the NNC account will be released to WCTGA in November of 2005 to be distributed to the producers of cigar tobacco.

10/18/2005

Wisconsin Cooperative Tobacco Growers Association
Portfolio Reconciliation
Summary

Loan and Accrued Interest Called:		\$0.00
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$0.00
	From Bid Sales:	\$0.00
Total Sales Proceeds:		\$0.00
Loss Transferred To Tobacco Trust Fund:		\$0.00

Wisconsin Cooperative Tobacco Growers Association
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	0.00	0.00	0.00
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called:		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

No Net Cost Used				
Domestic No Net Cost:	Crop Year	Producer		Purchaser
		Assessment	Interest	Assessment Interest
	2004	0.00	0.00	0.00 0.00
	2003	0.00	0.00	0.00 0.00
	2002	0.00	0.00	0.00 0.00
Total Domestic No Net Cost Used:		<u>0.00</u>	<u>0.00</u>	<u>0.00 0.00</u>
Total Importers No Net Cost Used:		Principal	Interest	
		0.00	0.00	
Total No Net Cost Used:				0.00

Bid Sales			
Bid Sales:	Invitation	Sales Date	Sold For
	26	April 1, 2005	0.00
	28	May 10, 2005	0.00
	29	May 1, 2005	0.00
	30	May 1, 2005	0.00
	31	July 19, 2005	0.00
Total Bid Sales:			<u>0.00</u>

Total Losses Recovered From The Tobacco Trust Fund:	0.00
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Wisconsin Cooperative Tobacco Growers Association

Reconciliation

Background:

Title VI of the America Jobs Creation Act of 2004 (the 2004 Act) terminates the tobacco marketing quota and price support loan programs effective with the 2005 marketing year. In order to provide for an orderly transition to an unregulated marketplace, section 641 of the 2004 Act sets forth the procedure for liquidation of existing Commodity Credit Corporation (CCC) tobacco price support loans. The following steps were taken to call CCC loans in regard to disposition tobacco loan inventories at Wisconsin Cooperative Tobacco Growers Association (WCTGA):

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10/18/2005

Wisconsin Cooperative Tobacco Growers Association
Portfolio Reconciliation
Summary

Loan and Accrued Interest Called:		\$0.00
Less Sales Proceeds:		
	From No Net Cost Account Transfers:	\$0.00
	From Bid Sales:	\$0.00
Total Sales Proceeds:		\$0.00
Loss Transferred To Tobacco Trust Fund:		\$0.00

Wisconsin Cooperative Tobacco Growers Association
Portfolio Reconciliation
Detail

Loans Called				
Loans Called:	Crop Year	Loan Amount	Accrued Interest	Total
	2004	0.00	0.00	0.00
	2003	0.00	0.00	0.00
	2002	0.00	0.00	0.00
	2001	0.00	0.00	0.00
	2000	0.00	0.00	0.00
	1998	0.00	0.00	0.00
	1997	0.00	0.00	0.00
	1994	0.00	0.00	0.00
Total Called:		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

No Net Cost Used				
Domestic No Net Cost:				
Total Domestic No Net Cost Used:				
Total Importers No Net Cost Used:				
Total No Net Cost Used:				

Bid Sales				
Bid Sales:	Invitation	Sales Date	Sold For	
	26	April 1, 2005	0.00	
	28	May 10, 2005	0.00	
	29	May 1, 2005	0.00	
	30	May 1, 2005	0.00	
	31	July 19, 2005	0.00	
Total Bid Sales:			<u>0.00</u>	

Total Losses Recovered From The Tobacco Trust Fund:	<u>0.00</u>
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